



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

May 24, 2005

### CERTIFIED RETURN RECEIPT 7002 0510 0003 8603 3479

Richard Schreiber  
Tintic Utah Metals, LLC  
Chief Gold Mines Inc.  
1629 Locust Street  
Philadelphia, Pennsylvania 19103-6304

Subject: Failure to Abate State Cessation Orders; MC-05-01-03(1), Tintic Utah Metals, LLC, Trixie West Exploration Project, E/049/046; MC-05-01-04(1), Tintic Utah Metals, LLC, Apex/Burgin Project, M049/009; and MC-05-01-05(1), Chief Gold Mines Inc., Trixie Shaft, M/049/024, Utah County, Utah

Dear Mr. Schreiber:

On October 8, 2004 the Division issued three Cessation Orders (two to Tintic Utah Metals, LLC and one to Chief Gold Mines Inc.) for failure to pay the permit fees. Since that time we have been communicating with you in an attempt to resolve these violations. We are aware of Chief's predicament with regard to the EPA Consent Decree and we have already extended the abatement timeframe twice (to February 28, 2005) to accommodate your situation, with the expectation that a resolution would be forthcoming soon after the January 24, 2005 Consent Decree hearing. It should be noted that any actions on the part of the EPA will not absolve Chief Gold Mines or Tintic Utah Metals of their responsibilities to comply with the Utah Mined Land Reclamation Act and the Utah Regulatory Program.

Your March 17, 2005 letter requested an additional extension and we responded in a letter dated April 12, 2005 that we would entertain a 60-day extension as long as you accomplished some specific items. As of this date we still have not heard from you and we still do not have a clear picture of the status of these mines and your intent to comply with the Utah Mineral Regulatory program. The violations have not been abated in the required timeframe; therefore, the Division has no recourse but to issue "Failure to Abate" Cessation Orders (FTACO) on all three violations. You will find the Cessation Orders enclosed.

Richard Schreiber  
Page 2 of 2  
M/049/009  
May 24, 2005

We feel it important to impress upon you the seriousness of this situation. Each FTACO carries with it a mandatory \$750 fine for each day the violation continues. Please read the instructions and appeal procedures that are attached with each violation. This is very important information that may help you in resolving the situation. We certainly would prefer to have an active and viable mine operating in Utah, but we must also ensure that mine sites do not get left abandoned and unreclaimed. We hope that you can provide a speedy resolution to this situation. Failure to do so may result in withdrawal of the Notice of Intent to mine and an order to reclaim the mine sites.

Please call me at (801) 538-5306 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Mesch', written in a cursive style.

Mark Mesch  
Acting Associate Director, Mining

MM:DRH:jb  
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**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

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Notice of Violation ☐ No. \_\_\_\_\_  
Cessation Order ☒ No. MC-05-01-04(1)

CERTIFIED RETURN RECEIPT # 7002 0510 0003 8603 3479

To the following Permittee or Operator:

Permittee/Operator Name: Tintic Utah Metals, LLC

Mine Name: Apex/Burgin Project ☐ Surface ☒ Underground ☐ Other

County: Utah State: Utah Telephone Number: 215-546-8585

Business Address: 1629 Locust St. Philadelphia, PA 19103-6304

Permit Number: M/049/009

Ownership Category: ☐ State ☐ BLM ☐ USFS ☒ Fee ☐ Other

Date of Inspection: NA Time: \_\_\_\_\_ ☐ a.m. ☐ p.m. to \_\_\_\_\_ ☐ a.m. ☐ p.m.

Under authority of the Utah Mined Land Reclamation Act, Section 40-8-1 et seq., *Utah Code Annotated*, 1953, the undersigned authorized representative of the Division of Oil, Gas, and Mining has conducted an inspection of above mine on above date and has found that a Notice of Violation or Cessation Order must be issued with respect to the conditions, practices, or violations listed. In accordance with Section 40-8-9, *Utah Code Annotated*, you are ordered to cease immediately the operations or activity described and to perform the required actions described within the designated time for abatement.

The undersigned representative finds that this order ☒ does require cessation of all mining;

☐ does not require cessation of all mining.

For this purpose, "mining" means development of, or extraction of a mineral deposit, including transportation within or from the mine site, concentrating, milling, evaporation, or other processing. Mining and/or reclamation operations not directly the subject of this order shall continue while this order is in effect. You are responsible for doing all work in a safe and workmanlike manner.

This order shall remain in effect until it is modified, terminated or vacated by written notice of an authorized representative of the director of the Division of Oil, Gas, and Mining.

Date of service/mailling: May 24, 2005 Time of service/mailling 4:00 ☐ a.m. ☒ p.m.

Richard Schreiber  
Permittee or Operator Representative

Attorney, Tintic Utah Metals  
Title

Signature

Lynn Kunzler  
Division of Oil, Gas & Mining Representative

Environmental Scientist/Reclamation Biologist  
Title

Signature

SEE REVERSE SIDE

## IMPORTANT – READ CAREFULLY

### 1. PENALTIES.

a. **Proposed assessment.** The Division of Oil, Gas, and Mining (DOGM) assesses fines based upon a proposed assessment recommended by an assessment officer. You may submit written information pertaining to violation(s) covered by this order within 15 days of the date this notice or order is served on you or your agent. Information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. A representative of the DOGM will serve the proposed assessment on you or your agent within 30 days of issuance of notice or order.

b. **Assessment.** The penalty will be final unless you or your agent file a written request within 15 days of receipt of proposed assessment for an informal hearing before the assessment officer.

For each violation included in this notice, a penalty of up to \$5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed an additional minimum penalty of \$750 for each day of continuing violation beyond the time set for abatement. In addition, if you fail to abate any violation as required you will be issued a Cessation Order requiring you to cease mining operations on the portion of the operations relevant to the violation.

### 2. STOP WORK CONFERENCE.

A Stop Work Conference may be requested if this notice requires cessation of all mining. On the reverse of this page, the authorized representative has made a finding as to whether or not this notice requires cessation of all mining. (See Utah Admin. R. 647-6-102.4 et seq.)

You must request the Stop Work Conference within 30 days after service of this Cessation Order. The conference must be held within 5 days of your request. You will be notified of the date, time, and location of the conference.

Please send your conference request to:  
Administrative Secretary  
Associate Director of Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801

### 3. FORMAL REVIEW AND TEMPORARY RELIEF.

You may apply for review of this notice, order or proposed assessment before the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of notice or assessment by you or your agent. Apply to:

Secretary  
Board of Oil, Gas, and Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801

If applying for a formal board hearing, you may submit with your petition for review a request for temporary relief from this notice. Procedures for obtaining a formal board hearing are contained in the board's Rules of Practice and Procedure and in Utah Admin. R. 647-5 et seq.

### 4. INDIVIDUAL CIVIL PENALTIES.

An additional individual civil penalty of up to \$5000 per day may be assessed against any corporate director, officer, or agent who knowingly and willfully authorized, ordered or carried out a violation or who fails or refuses to comply with an order.

For further information, consult *Utah Code Annotated* Section 40-8-9, 9.1, Utah Admin. R. 647-6, 7, 8 seq. or contact the Division of Oil, Gas, and Mining at (801) 538-5304.

Notice of Violation / Cessation Order NO. MC-05-01-04(1)

Violation No. 1 of 1

Page 2 of 2

Nature of condition, practice, or violation:

**Failure to abate Cessation Order # MC-04-01-04(1), dated October 8, 2004 ( failure to make payment of permit fees).**

Provisions of act, regulations, or permit violated:

**UCA 40-8-9(3)(c)(ii)**

**R647-6-102.1.14**

(Check box if appropriate:)

- ☐ Condition, practice, or violation is creating an imminent danger to health or safety of the public.
- ☐ Permittee/Operator is/has been conducting mining activities without a permit.
- ☐ Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.
- ☒ Permittee or Operator has failed to abate Violation(s) No. 1 included in Violation No. or Cessation Order No. MC-04-01-04(1) within time for abatement originally fixed or subsequently extended.

Mining activity to be ceased immediately:

**All mining related activities.**

Affirmative obligation(s) or required action and abatement time (if applicable):

**1. Pay delinquent permit fees of \$2000.00**

**2. Pursuant to R647-4-117.2, 117.3 and 117.4, the operator will furnish the Division not later than June 1, 2005, such data as is sufficient to evaluate the current status of the mining operation, and the probable future status of the land affected, and why reclamation should not be required to begin immediately.**

**Failure to reply or show good cause for continued suspension may result in an order by the Division, pursuant to Utah Code 40-8-16(2), withdrawing the approval of the Notice of Intension and ordering reclamation of the affected lands.**

jb

cc: Daron Haddock, DOGM  
Lynn Kunzler, DOGM  
File

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